

THE
CAPITAL
NATIONAL
BANK
IN AUSTIN

P. O. Box 550
Austin, Texas 78789
Telephone (512) 476/6444

RECORDATION NO. 8192 Filed & Recorded

JAN 23 1976 -3 05 PM

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 8192-B Filed & Recorded

JAN 26 1976 -3 05 PM

INTERSTATE COMMERCE COMMISSION

Secretary of the Interstate
Commerce Commission
Washington, D. C. 20423

Dear Sir:

Enclosed for filing pursuant to 49 U.S.C. 20c and 49 C.F.R.
1116 are the following documents:

- (1) Two original counterparts of a Management Agreement dated April 23, 1975, between Richmond Leasing Company, 777 South Post Oak Road, Houston, Texas, 77027, and Glenn A. Welsch, 3405 Taylors Drive, Austin, Texas, 78703;
- (2) Original and one certified copy of a Collateral Assignment between Glenn A. Welsch of 3405 Taylors Drive, Austin, Texas, 78703, and The Capital National Bank in Austin, 114 West 7th Street, Austin, Texas, 78701; and
- (3) Original and one certified copy of a Security Agreement between Glenn A. Welsch of 3405 Taylors Drive, Austin, Texas, 78703 and The Capital National Bank in Austin, 114 W. 7th Street, Austin, Texas, 78701.

The documents shown in (1) and (2) above are being submitted for filing concurrently in accordance with 49 U.S.C. 1116, 3 (d) (2). Accordingly, a cashier's check in the amount of \$100.00 is enclosed as the filing fee for all three documents.

The rolling stock involved in the transactions is described as follows:

INTERSTATE
COMMERCE COMMISSION
RECEIVED

M2 JAN 23 1976

ADMINISTRATIVE SERVICES
MAIL UNIT

RECORDATION NO. 8192-A Filed & Recorded

JAN 26 1976 -3 05 PM

INTERSTATE COMMERCE COMMISSION

January 15, 1976

6-026A110
JAN 26 1976

Date
FEB 8 1976

ICC Washington, D. C.

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IFC
FEDERATION BR.

Page 2

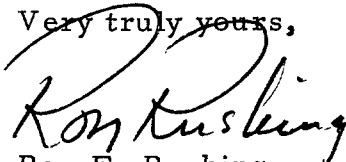
Secretary of the Interstate Commerce Commission
January 15, 1976

Six (6) 23,500 gallon nominal capacity tank cars, DOT 111A100W3, exterior coiled and insulated with 100-ton trucks and bearing numbers RTMX 2201, RTMX 2203, RTMX 2204, RTMX 2205, RTMX 2209, and RTMX 2212.

After the documents have been filed, please return the originals to Roy Rushing, Vice President, The Capital National Bank in Austin, P.O. Box 550, Austin, Texas 78789.

Thank you for your cooperation.

Very truly yours,


Roy E. Rushing
Vice President

RER/sj

Enclosures

THE STATE OF TEXAS)
)
COUNTY OF TRAVIS)

8192
RECORDATION NO. _____ Filed & Recorded

JAN 26 1976 -3 05 PM

INTERSTATE COMMERCE COMMISSION

I, BARBARA KIENLE, the undersigned Notary Public in and for Travis County, Texas do hereby certify that I have compared the attached copy of a Management Agreement with the original document and such copy is a true and correct copy in all respects.

CERTIFIED this 27th day of January, 1976.

Barbara Kienle
Barbara Kienle
Notary Public in and for
Travis County, Texas

My Commission Expires:

June 1, 1977.

LEGEND - RESTRICTION ON TRANSFER

The securities represented by this Management Agreement were issued in a transaction which was not covered by a Registration Statement under the Securities Act of 1933 or the securities law of any state. No transfer shall be permitted of these securities in the absence of (i) an opinion of counsel for, or counsel satisfactory to, the issuer of the securities that such transfer will not result in a violation of the registration requirements of the Securities Act of 1933 or any applicable state laws or (ii) an effective Registration Statement under the Securities Act of 1933 or any applicable state laws covering the shares proposed to be transferred.

MANAGEMENT AGREEMENT

THIS AGREEMENT, effective as of the 23rd day of April, 1975, by and between Richmond Leasing Company, a Delaware corporation ("RLC"), having its principal place of business in Houston, Texas, and Glenn A. Welsch, ("Owner"), a resident of Austin, Travis County, Texas :

W I T N E S S E T H:

WHEREAS, Owner is the owner of the railway equipment listed in the attached Exhibit A (the "Railway Equipment") and is desirous of entering into the following Agreement with RLC, whereby RLC will manage the Railway Equipment pursuant to the terms and conditions hereof; and

WHEREAS, RLC is desirous of undertaking the management of the Railway Equipment pursuant to the terms and conditions hereof;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and conditions set forth herein, the parties hereto agree as follows:

ARTICLE I
APPOINTMENT

1. Owner hereby appoints RLC to manage and otherwise supervise the operation of the Railway Equipment in the name, for the account and on behalf of the Owner pursuant and subject to the terms and conditions set forth in this Agreement.

2. RLC hereby accepts the appointment set forth in Paragraph 1 of this Article and agrees to utilize reasonable time and efforts to perform the duties and obligations set forth in Article III below. Owner acknowledges and agrees that, whereas RLC has accepted the responsibility of managing the Railway Equipment, except as specifically set forth herein to the contrary or as provided by law, RLC shall have the sole function and operative judgment for the operation and management of the Railway Equipment and for establishing and implementing policies and standards of operation, service, maintenance, repair, reporting and other such policies and standards affecting the Railway Equipment or the operation, maintenance or repair thereof. In addition, RLC

shall be entitled to rely upon written or oral instructions received from Owner as to any and all acts to be performed by RLC.

ARTICLE II OWNER'S COVENANTS AND RESPONSIBILITIES

1. Owner does hereby deliver and release to RLC the Railway Equipment for the management thereof by RLC, and RLC acknowledges delivery and receipt thereof.

2. Owner agrees that Owner is responsible for all expenses incurred in connection with the Railway Equipment, including ad valorem and other taxes, freight, storage, and other reasonable expenses, levies or charges, including the Management Fee (as defined in Article V hereof), incurred in connection with the Railway Equipment and the operation and leasing thereof (all of which shall hereinafter be sometimes collectively referred to as the "Expenses"). The Expenses shall not include, however, minor and major repair work (including running repairs, cleaning, painting and periodic inspection costs) which shall be at the expense of RLC.

3. Should the rental income from the operation of the Railway Equipment be insufficient to cover the Expenses incurred or reasonably foreseeable in connection with the Railway Equipment or the operation or leasing thereof, Owner will remit to RLC within ten days of receipt of the Quarterly Statement provided under Article III, Paragraph 7 hereof the amount necessary to cover any such Expenses.

4. Owner agrees to cooperate fully with RLC and to provide all assistance reasonably requested by RLC to enable RLC to carry out its obligations hereunder. This shall include full cooperation and assistance in any lawsuit or other similar matter or proceeding before any court or agency.

ARTICLE III RLC'S COVENANTS AND RESPONSIBILITIES

RLC agrees to utilize reasonable time and efforts to:

1. Collect the rental and service charges earned by the Railway Equipment (the "Lease Fees"). Such duties shall not, however, be deemed to include the filing of a suit to collect such Lease Fees, although RLC may elect to do so at its option but at the expense of Owner.

2. Comply with the terms and conditions of any lease agreements (the "Leases") to which the Railway Equipment is subject during the term hereof. It is understood, however, that before RLC shall be obligated to comply with the Leases or any amended terms and conditions of any of the Leases, such Leases and/or amendments must be approved, in writing, by RLC.

3. Make all original filings with the Interstate Commerce Commission ("ICC") and the American Association of Railroads ("AAR") and other such filings as it deems necessary to comply with the applicable rules and regulations promulgated by the ICC and the AAR.

4. File applicable ad valorem and other tax returns and pay, from the Lease Fees or from funds advanced by Owner, all such taxes due. Since Owner's ad valorem and other tax expense will be commingled with the ad valorem and other tax expense incurred by other tank cars owned or managed by RLC, Owner agrees to pay ad valorem, gross receipts, property or similar taxes in an amount equal to that percentage of such taxes that the Lease Fees bear to RLC's gross Lease Fees, including Owner's Lease Fees. RLC may, however, retain during each calendar year of the term of this Agreement, an amount equal to three percent of the Lease Fees received during that calendar year to cover such taxes, but will, within 90 days following the end of each calendar year, remit to Owner any amounts not required for such taxes.

5. Maintain adequate books and records sufficient to properly account for the Lease Fees, Expenses and other such items applicable to the Railway Equipment.

6. Contract for or otherwise obtain all repair and/or maintenance work on the Railway Equipment considered necessary by RLC, such repair and/or maintenance work to be for the account of RLC.

7. Provide periodic reports to Owner on a quarterly basis (the "Quarterly Reports") which shall set forth the Lease Fees derived from the use of the Railway Equipment, as well as Expenses incurred or that will foreseeably be incurred in connection with the Railway Equipment. The reports shall be for the quarters ending March 31, June 30, September 30 and December 31, and will be delivered to Owner as promptly as is reasonably possible. The initial report will cover the period from the date of this Agreement to September 30, 1975. Should the Lease Fees exceed the Expenses incurred in connection with the Railway Equipment, payment of the excess shall accompany the Quarterly Report. Should Expenses (incurred or foreseeable) exceed the Lease Fees for the period(s) in question, the Quarterly Report will set forth the amount to be remitted by Owner to RLC. It is understood that RLC shall be under no obligation to advance funds for payment of the Expenses, regardless of the results of the nonpayment thereof. It is further understood that RLC shall have the authority to retain portions of Lease Fees that exceed actual Expenses incurred to cover future Expenses that can be reasonably foreseen to exceed anticipated Lease Fees for the applicable future period or periods. Such retention of Lease Fees shall be accomplished on a reasonable basis and in such a manner as to minimize the effect that such retention shall have on income, if any, received by Owner. No assessment for cash deficiencies shall be made to Owner, however, to the extent of unremitted mileage credits held by RLC.

8. Maintain the following insurance coverage on the Railway Equipment: a policy of comprehensive general liability insurance with limits of bodily injury liability of \$300,000 each occurrence and in the aggregate, and property damage liability of

\$100,000 each occurrence and in the aggregate; an umbrella liability insurance policy with limits of liability of not less than \$20,000,000; and a policy of property insurance with limits of coverage of \$35,000 per car, \$1,000,000 each occurrence and in the aggregate, with a \$50,000 deductible (to be paid by Owner) each occurrence, naming Owner as an additional insured. Any additional insurance desired by Owner shall be obtained by Owner at Owner's expense.

9. Reasonably pursue any and all warranties or other claims against manufacturers, users, lessees, railroads and other parties on behalf of Owner. Such duties shall not, however, be deemed to include the filing of suit, although RLC may elect to do so at its option, but at the expense of Owner.

ARTICLE IV TERM AND TERMINATION

1. The term of this Agreement shall be for a period of 10 years, commencing with the effective date hereof, and shall automatically terminate at the expiration of such term.

2. Termination of this Agreement may be accomplished by the Owner giving RLC written notice of his intent to terminate three (3) months prior to the termination date or pursuant to the provisions of Article VII hereof.

3. Should either party default under its obligations set forth herein, the other party may advise the defaulting party of such default, and should such default not be corrected within thirty (30) days of such notification, the aggrieved party may, at its option, immediately terminate this Agreement.

4. Neither RLC nor the Owner shall, by reason of the expiration or the termination of this Agreement in accordance with the terms and provisions hereof, be liable to the other for compensation, reimbursement or damages, either on account of present or prospective profits or on account of expenditures, investments or commitments made in connection therewith or in connection with the establishment, development or maintenance of the business or goodwill of RLC or the Owner, or on account of any other cause or thing whatsoever; provided, however, that such expiration or termination shall not affect the rights or liabilities of the parties with respect to any indebtedness owing by either party to the other. Except as may be otherwise expressly set forth herein, upon the expiration or termination of this Agreement, all obligations of the parties shall immediately cease. RLC shall, however, provide reasonable assistance to Owner in transferring to Owner, all at Owner's expense and upon Owner's request, all records, data and other information relating to the Railway Equipment and in assisting Owner in the implementation of such records, data and information into Owner's operations.

ARTICLE V MANAGEMENT FEE

In consideration of the services of RLC hereunder, Owner shall pay to RLC a management fee of 16 percent (16%) of the Lease Fees collected for each railway car included in the Railway Equipment (the "Management Fee"). The Management Fee shall be deducted from the remittance due quarterly to Owner as otherwise provided herein.

ARTICLE VI LEGAL ACTIONS

At its option, RLC may institute or defend, in its own name or in the name of Owner, or both, but not against each other, and in all events at the expense of Owner, any and all legal actions or proceedings it considers necessary hereunder, including those to collect charges, rents, claims or other income for the Railway Equipment, or lawfully oust or dispossess lessees or other persons in possession thereof, or lawfully cancel, modify or terminate any lease, license or concession agreement for the breach thereof or default by a lessee, licensee or concessionaire. Unless otherwise directed in writing by Owner, RLC shall take, at Owner's expense, any and all necessary actions to protest or litigate to a final decision in any appropriate Court or other forum any violation, order, rule, regulation, suit, claim or other matter affecting the Railway Equipment. RLC shall keep Owner currently advised of all legal proceedings and Owner reserves the right to direct RLC to terminate any litigation brought pursuant to the foregoing authority.

ARTICLE VII ASSIGNMENT

Upon 30 days prior written notice to RLC, Owner shall be entitled to transfer the Railway Equipment or any part thereof to a third party. Upon such transfer and at the option of RLC, this Agreement shall terminate as to such portion of the Railway Equipment transferred, *provided, however*, this Agreement and the Railway Equipment may be transferred to the estate, heir or devisee of any Owner or to any purchaser at a foreclosure sale where it is sold as collateral upon registration under the Securities Act of 1933 and any applicable state laws or upon exemption therefrom.

ARTICLE VIII INDEMNIFICATION

Owner and RLC jointly and severally acknowledge, agree and covenant that RLC is entering into this contract as an independent contractor, and neither party hereto shall take any action to alter such legal relationship. Owner shall have no right or authority, and shall not attempt, to enter into contracts or commitments in the name, or on behalf, of RLC, or to bind RLC in any manner or respect whatsoever. Further, Owner agrees

to indemnify and hold RLC harmless from any and all claims, demands, causes of action (at law or equity), costs, damages, reasonable attorney's fees, expenses and judgments, except those arising out of RLC's negligence or willful misconduct, which may hereinafter be made or caused by any third party based on or relating to the Railway Equipment or the operation, including the leasing, thereof. RLC agrees to indemnify and hold harmless Owner from and against any and all claims, demands, causes of action (at law or equity), costs, damages reasonable attorney's fees, expenses and judgments which may hereafter be made or caused by any third party as against the Owner based on actions taken by RLC in connection with the Railway Equipment, which actions were not specifically requested or authorized by Owner.

ARTICLE IX ADDITIONAL AGREEMENTS

1. Each party hereto shall promptly and duly execute and deliver to the other party such further documents, assurances, releases and other instruments, and take such further actions, including any necessary filings and the execution of a power of attorney of Owner, as the other party may reasonably request, in order to more fully carry out the intent and purpose of this Agreement and to indicate the ownership of the Railway Equipment during the continuance and upon termination of this Agreement.

2. It is understood that upon the expiration or termination of this Agreement as to any or all of the Railway Equipment, Owner shall no longer be entitled to use the Recording and UMLER Car Initials and Numbers and other designations (the "Designations") that are presently the property of RLC. Accordingly, Owner agrees that it will promptly undertake upon such expiration or termination, at Owner's expense, all steps necessary to promptly change the Designations on the Railway Equipment no longer included under the Agreement and to execute any and all documents requested by RLC to transfer to RLC any rights Owner may have acquired to such Designations. RLC agrees to prepare, at RLC's expense, documentation as, in its opinion, is necessary to change all designations on the Railway Equipment from the Designations of RLC to those adopted by Owner, and to provide reasonable assistance to Owner, at Owner's expense, in the filing of such documents.

3. Any notice or other communication by either party to the other shall be in writing, and shall be deemed to have been duly given if either delivered personally or mailed, postage prepaid, registered or certified mail, addressed as follows:

RLC: Richmond Leasing Company
777 South Post Oak Road
Houston, Texas 77027
Attention: President

Owner: Glenn A. Welsch
3405 Taylors Drive
Austin, Texas
78703

or to such other address, and to the attention of such other person or officer as either party may designate to the other in writing as provided by this Paragraph.

4. The Owner or his authorized representative shall be entitled to inspect the books and records of RLC applicable to the Railway Equipment at any reasonable time during the office hours of RLC.

5. Except as otherwise provided herein, this Agreement may not be modified or amended, except by express, written agreement signed by both parties hereto. Any waiver of any obligation of either party hereto shall not be construed as a continuing waiver of any such obligation under any provision hereof.

6. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of, and be enforceable by, the successors and assigns, if any, of the parties hereto.

7. This Agreement contains the entire agreement of the parties hereto and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect.

8. This Agreement shall be construed in accordance with the laws of the State of Texas.

IN WITNESS WHEREOF, the parties have hereunto set their names, effective this 23rd day of April, 1975.

RICHMOND LEASING COMPANY
"RLC"

By

Jimmy S. King
Vick President

"OWNER"

Glenn A. Melach

STATE OF TEXAS

COUNTY OF ~~HARRIS~~ *Travis*

BEFORE ME, the undersigned authority, on this day personally appeared GLENN A. WELSCH, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this the 23rd day of December, 1975.

Eileen Smith

Notary Public in and for
the County of ~~Harris~~ *Travis*

My commission expires: 6-1-77

STATE OF TEXAS

COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared JIMMY F. HERRING, Vice President of Richmond Leasing Company, a corporation, known to me to be the person whose name is subscribed to the foregoing instrument, acknowledged to me that he executed the same for the purposes and consideration therein expressed in the capacity therein stated and as the act and deed of said corporation.

Given under my hand and seal of office on this the 23rd day of December, 1975.

Diane Thompson

Notary Public in and for
the County of Harris

My commission expires: Oct. 1, 1977

JAN 26 1975 2:05 PM

LEGEND - RESTRICTION ON TRANSFER

INTERSTATE COMMERCE COMMISSION

The securities represented by this Management Agreement were issued in a transaction which was not covered by a Registration Statement under the Securities Act of 1933 or the securities law of any state. No transfer shall be permitted of these securities in the absence of (i) an opinion of counsel for, or counsel satisfactory to, the issuer of the securities that such transfer will not result in a violation of the registration requirements of the Securities Act of 1933 or any applicable state laws or (ii) an effective Registration Statement under the Securities Act of 1933 or any applicable state laws covering the shares proposed to be transferred.

MANAGEMENT AGREEMENT

THIS AGREEMENT, effective as of the 23rd day of April, 1975, by and between Richmond Leasing Company, a Delaware corporation ("RLC"), having its principal place of business in Houston, Texas, and Glenn A. Welsch ("Owner"), a resident of Austin, Travis County, Texas:

W I T N E S S E T H:

WHEREAS, Owner is the owner of the railway equipment listed in the attached Exhibit A (the "Railway Equipment") and is desirous of entering into the following Agreement with RLC, whereby RLC will manage the Railway Equipment pursuant to the terms and conditions hereof; and

WHEREAS, RLC is desirous of undertaking the management of the Railway Equipment pursuant to the terms and conditions hereof;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and conditions set forth herein, the parties hereto agree as follows:

ARTICLE I
APPOINTMENT

1. Owner hereby appoints RLC to manage and otherwise supervise the operation of the Railway Equipment in the name, for the account and on behalf of the Owner pursuant and subject to the terms and conditions set forth in this Agreement.

2. RLC hereby accepts the appointment set forth in Paragraph 1 of this Article and agrees to utilize reasonable time and efforts to perform the duties and obligations set forth in Article III below. Owner acknowledges and agrees that, whereas RLC has accepted the responsibility of managing the Railway Equipment, except as specifically set forth herein to the contrary or as provided by law, RLC shall have the sole function and operative judgment for the operation and management of the Railway Equipment and for establishing and implementing policies and standards of operation, service, maintenance, repair, reporting and other such policies and standards affecting the Railway Equipment or the operation, maintenance or repair thereof. In addition, RLC

shall be entitled to rely upon written or oral instructions received from Owner as to any and all acts to be performed by RLC.

ARTICLE II OWNER'S COVENANTS AND RESPONSIBILITIES

1. Owner does hereby deliver and release to RLC the Railway Equipment for the management thereof by RLC, and RLC acknowledges delivery and receipt thereof.

2. Owner agrees that Owner is responsible for all expenses incurred in connection with the Railway Equipment, including ad valorem and other taxes, freight, storage, and other reasonable expenses, levies or charges, including the Management Fee (as defined in Article V hereof), incurred in connection with the Railway Equipment and the operation and leasing thereof (all of which shall hereinafter be sometimes collectively referred to as the "Expenses"). The Expenses shall not include, however, minor and major repair work (including running repairs, cleaning, painting and periodic inspection costs) which shall be at the expense of RLC.

3. Should the rental income from the operation of the Railway Equipment be insufficient to cover the Expenses incurred or reasonably foreseeable in connection with the Railway Equipment or the operation or leasing thereof, Owner will remit to RLC within ten days of receipt of the Quarterly Statement provided under Article III, Paragraph 7 hereof the amount necessary to cover any such Expenses.

4. Owner agrees to cooperate fully with RLC and to provide all assistance reasonably requested by RLC to enable RLC to carry out its obligations hereunder. This shall include full cooperation and assistance in any lawsuit or other similar matter or proceeding before any court or agency.

ARTICLE III RLC'S COVENANTS AND RESPONSIBILITIES

RLC agrees to utilize reasonable time and efforts to:

1. Collect the rental and service charges earned by the Railway Equipment (the "Lease Fees"). Such duties shall not, however, be deemed to include the filing of a suit to collect such Lease Fees, although RLC may elect to do so at its option but at the expense of Owner.

2. Comply with the terms and conditions of any lease agreements (the "Leases") to which the Railway Equipment is subject during the term hereof. It is understood, however, that before RLC shall be obligated to comply with the Leases or any amended terms and conditions of any of the Leases, such Leases and/or amendments must be approved, in writing, by RLC.

3. Make all original filings with the Interstate Commerce Commission ("ICC") and the American Association of Railroads ("AAR") and other such filings as it deems necessary to comply with the applicable rules and regulations promulgated by the ICC and the AAR.

4. File applicable ad valorem and other tax returns and pay, from the Lease Fees or from funds advanced by Owner, all such taxes due. Since Owner's ad valorem and other tax expense will be commingled with the ad valorem and other tax expense incurred by other tank cars owned or managed by RLC, Owner agrees to pay ad valorem, gross receipts, property or similar taxes in an amount equal to that percentage of such taxes that the Lease Fees bear to RLC's gross Lease Fees, including Owner's Lease Fees. RLC may, however, retain during each calendar year of the term of this Agreement, an amount equal to three percent of the Lease Fees received during that calendar year to cover such taxes, but will, within 90 days following the end of each calendar year, remit to Owner any amounts not required for such taxes.

5. Maintain adequate books and records sufficient to properly account for the Lease Fees, Expenses and other such items applicable to the Railway Equipment.

6. Contract for or otherwise obtain all repair and/or maintenance work on the Railway Equipment considered necessary by RLC, such repair and/or maintenance work to be for the account of RLC.

7. Provide periodic reports to Owner on a quarterly basis (the "Quarterly Reports") which shall set forth the Lease Fees derived from the use of the Railway Equipment, as well as Expenses incurred or that will foreseeably be incurred in connection with the Railway Equipment. The reports shall be for the quarters ending March 31, June 30, September 30 and December 31, and will be delivered to Owner as promptly as is reasonably possible. The initial report will cover the period from the date of this Agreement to September 30, 1975. Should the Lease Fees exceed the Expenses incurred in connection with the Railway Equipment, payment of the excess shall accompany the Quarterly Report. Should Expenses (incurred or foreseeable) exceed the Lease Fees for the period(s) in question, the Quarterly Report will set forth the amount to be remitted by Owner to RLC. It is understood that RLC shall be under no obligation to advance funds for payment of the Expenses, regardless of the results of the nonpayment thereof. It is further understood that RLC shall have the authority to retain portions of Lease Fees that exceed actual Expenses incurred to cover future Expenses that can be reasonably foreseen to exceed anticipated Lease Fees for the applicable future period or periods. Such retention of Lease Fees shall be accomplished on a reasonable basis and in such a manner as to minimize the effect that such retention shall have on income, if any, received by Owner. No assessment for cash deficiencies shall be made to Owner, however, to the extent of unremitted mileage credits held by RLC.

8. Maintain the following insurance coverage on the Railway Equipment: a policy of comprehensive general liability insurance with limits of bodily injury liability of \$300,000 each occurrence and in the aggregate, and property damage liability of

\$100,000 each occurrence and in the aggregate; an umbrella liability insurance policy with limits of liability of not less than \$20,000,000; and a policy of property insurance with limits of coverage of \$35,000 per car, \$1,000,000 each occurrence and in the aggregate, with a \$50,000 deductible (to be paid by Owner) each occurrence, naming Owner as an additional insured. Any additional insurance desired by Owner shall be obtained by Owner at Owner's expense.

9. Reasonably pursue any and all warranties or other claims against manufacturers, users, lessees, railroads and other parties on behalf of Owner. Such duties shall not, however, be deemed to include the filing of suit, although RLC may elect to do so at its option, but at the expense of Owner.

ARTICLE IV TERM AND TERMINATION

1. The term of this Agreement shall be for a period of 10 years, commencing with the effective date hereof, and shall automatically terminate at the expiration of such term.

2. Termination of this Agreement may be accomplished by the Owner giving RLC written notice of his intent to terminate three (3) months prior to the termination date or pursuant to the provisions of Article VII hereof.

3. Should either party default under its obligations set forth herein, the other party may advise the defaulting party of such default, and should such default not be corrected within thirty (30) days of such notification, the aggrieved party may, at its option, immediately terminate this Agreement.

4. Neither RLC nor the Owner shall, by reason of the expiration or the termination of this Agreement in accordance with the terms and provisions hereof, be liable to the other for compensation, reimbursement or damages, either on account of present or prospective profits or on account of expenditures, investments or commitments made in connection therewith or in connection with the establishment, development or maintenance of the business or goodwill of RLC or the Owner, or on account of any other cause or thing whatsoever; provided, however, that such expiration or termination shall not affect the rights or liabilities of the parties with respect to any indebtedness owing by either party to the other. Except as may be otherwise expressly set forth herein, upon the expiration or termination of this Agreement, all obligations of the parties shall immediately cease. RLC shall, however, provide reasonable assistance to Owner in transferring to Owner, all at Owner's expense and upon Owner's request, all records, data and other information relating to the Railway Equipment and in assisting Owner in the implementation of such records, data and information into Owner's operations.

ARTICLE V MANAGEMENT FEE

In consideration of the services of RLC hereunder, Owner shall pay to RLC a management fee of 16 percent (16%) of the Lease Fees collected for each railway car included in the Railway Equipment (the "Management Fee"). The Management Fee shall be deducted from the remittance due quarterly to Owner as otherwise provided herein.

ARTICLE VI LEGAL ACTIONS

At its option, RLC may institute or defend, in its own name or in the name of Owner, or both, but not against each other, and in all events at the expense of Owner, any and all legal actions or proceedings it considers necessary hereunder, including those to collect charges, rents, claims or other income for the Railway Equipment, or lawfully oust or dispossess lessees or other persons in possession thereof, or lawfully cancel, modify or terminate any lease, license or concession agreement for the breach thereof or default by a lessee, licensee or concessionaire. Unless otherwise directed in writing by Owner, RLC shall take, at Owner's expense, any and all necessary actions to protest or litigate to a final decision in any appropriate Court or other forum any violation, order, rule, regulation, suit, claim or other matter affecting the Railway Equipment. RLC shall keep Owner currently advised of all legal proceedings and Owner reserves the right to direct RLC to terminate any litigation brought pursuant to the foregoing authority.

ARTICLE VII ASSIGNMENT

Upon 30 days prior written notice to RLC, Owner shall be entitled to transfer the Railway Equipment or any part thereof to a third party. Upon such transfer and at the option of RLC, this Agreement shall terminate as to such portion of the Railway Equipment transferred, *provided, however,* this Agreement and the Railway Equipment may be transferred to the estate, heir or devisee of any Owner or to any purchaser at a foreclosure sale where it is sold as collateral upon registration under the Securities Act of 1933 and any applicable state laws or upon exemption therefrom.

ARTICLE VIII INDEMNIFICATION

Owner and RLC jointly and severally acknowledge, agree and covenant that RLC is entering into this contract as an independent contractor, and neither party hereto shall take any action to alter such legal relationship. Owner shall have no right or authority, and shall not attempt, to enter into contracts or commitments in the name, or on behalf, of RLC, or to bind RLC in any manner or respect whatsoever. Further, Owner agrees

to indemnify and hold RLC harmless from any and all claims, demands, causes of action (at law or equity), costs, damages, reasonable attorney's fees, expenses and judgments, except those arising out of RLC's negligence or willful misconduct, which may hereinafter be made or caused by any third party based on or relating to the Railway Equipment or the operation, including the leasing, thereof. RLC agrees to indemnify and hold harmless Owner from and against any and all claims, demands, causes of action (at law or equity), costs, damages reasonable attorney's fees, expenses and judgments which may hereafter be made or caused by any third party as against the Owner based on actions taken by RLC in connection with the Railway Equipment, which actions were not specifically requested or authorized by Owner.

ARTICLE IX ADDITIONAL AGREEMENTS

1. Each party hereto shall promptly and duly execute and deliver to the other party such further documents, assurances, releases and other instruments, and take such further actions, including any necessary filings and the execution of a power of attorney of Owner, as the other party may reasonably request, in order to more fully carry out the intent and purpose of this Agreement and to indicate the ownership of the Railway Equipment during the continuance and upon termination of this Agreement.

2. It is understood that upon the expiration or termination of this Agreement as to any or all of the Railway Equipment, Owner shall no longer be entitled to use the Recording and UMLER Car Initials and Numbers and other designations (the "Designations") that are presently the property of RLC. Accordingly, Owner agrees that it will promptly undertake upon such expiration or termination, at Owner's expense, all steps necessary to promptly change the Designations on the Railway Equipment no longer included under the Agreement and to execute any and all documents requested by RLC to transfer to RLC any rights Owner may have acquired to such Designations. RLC agrees to prepare, at RLC's expense, documentation as, in its opinion, is necessary to change all designations on the Railway Equipment from the Designations of RLC to those adopted by Owner, and to provide reasonable assistance to Owner, at Owner's expense, in the filing of such documents.

3. Any notice or other communication by either party to the other shall be in writing, and shall be deemed to have been duly given if either delivered personally or mailed, postage prepaid, registered or certified mail, addressed as follows:

RLC: Richmond Leasing Company
777 South Post Oak Road
Houston, Texas 77027
Attention: President

Owner: Glenn A. Welsch
3405 Taylors Drive
Austin, Texas
78703

or to such other address, and to the attention of such other person or officer as either party may designate to the other in writing as provided by this Paragraph.

4. The Owner or his authorized representative shall be entitled to inspect the books and records of RLC applicable to the Railway Equipment at any reasonable time during the office hours of RLC.

5. Except as otherwise provided herein, this Agreement may not be modified or amended, except by express, written agreement signed by both parties hereto. Any waiver of any obligation of either party hereto shall not be construed as a continuing waiver of any such obligation under any provision hereof.

6. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of, and be enforceable by, the successors and assigns, if any, of the parties hereto.

7. This Agreement contains the entire agreement of the parties hereto and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect.

8. This Agreement shall be construed in accordance with the laws of the State of Texas.

IN WITNESS WHEREOF, the parties have hereunto set their names, effective this 23rd day of April, 19 75

RICHMOND LEASING COMPANY
"RLC"

By Jimmy E. Spring
Vice President

Glenn A. Melch
"OWNER"

STATE OF TEXAS

COUNTY OF ~~HARRIS~~

Travis

BEFORE ME, the undersigned authority, on this day personally appeared GLENN A. WELSCH, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this the 23rd day of December, 19 75.

Eileen Smith

Notary Public in and for
the County of ~~Harris~~ *Travis*

My commission expires: 6-1-77

STATE OF TEXAS

COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared JIMMY F. HERRING, Vice President of Richmond Leasing Company, a corporation, known to me to be the person whose name is subscribed to the foregoing instrument, acknowledged to me that he executed the same for the purposes and consideration therein expressed in the capacity therein stated and as the act and deed of said corporation.

Given under my hand and seal of office on this the 23rd day of December, 19 75.

Diane Lempkin

Notary Public in and for
the County of Harris

My commission expires: Oct. 1, 1977